



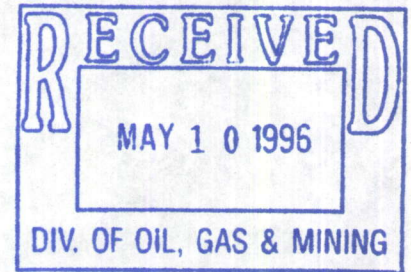
# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
324 South State, Suite 301  
Salt Lake City, Utah 84111-2303

IN REPLY REFER TO:

3590  
(UT-920)  
U-0122693



May 7, 1996

CERTIFIED MAIL--Return Receipt Requested

Ziegler Chemical & Mineral Corporation  
Star Route  
Vernal, Utah 84078

Re: Approval of Minor Modification to the Cowboy-Bandana  
Mine Plan for Gilsonite Lease, U-0122693, T. 8 S.,  
R. 24 E., Section 33, SLM, for Pillar on the 2-1 Level

Dear Mr. Haslam:

In November 1995 and again on April 30, 1996, a representative from the Bureau of Land Management (BLM) inspected the 2-1 level of the Cowboy mine east of the escape shaft. The pillar east of the slope (escape way) has been left due to poor mining conditions observed during both inspections. BLM would like to point out that leaving this pillar is a change in the mining plan and requires approval under 43 CFR 3592.1(d)(1) "... Any proposed exploration or mining plan modification(s) shall not be implemented unless previously approved by the authorized officer."

Representatives from the company stated the reason for leaving the pillar was for safety reasons. During the inspections, a representative from BLM observed a shale stringer that was 100 feet east of the escape way (390 feet east of the shaft). The stringer was about 2.5 feet up from the floor of the 2-1 level. The stringer seemed to dip to the west cutting through this block of ore. To the east the stringer went horizontal from this point. After viewing the problem from the 2-2 level and observing conditions that were improving as the mining proceeded east, it was decided that it would be impossible to know where the shale stringer ended. The stringer went through the entire vein as was evidenced by climbing the slope and observing the shale in the ore. The shale made it impossible to timber the area because the shale would slump off the ribs taking the timber supports out.

### BLM Approval:

The BLM grants the approval of leaving the pillar east of the slope on the 2-1 level east to the lease line due to geological conditions (see enclosure 1) that do not permit extraction of the ore. The BLM requests Ziegler Chemical and Mineral Corp. annotate this approval on the mine map for future reference. Place the phrase "Pillar left due to geological conditions approved by BLM (as per the date of this letter)."





National Environmental Policy Act (NEPA):

This action is a minor modification to the approved mine plan and is a Categorical Exclusion under NEPA.

BOND:

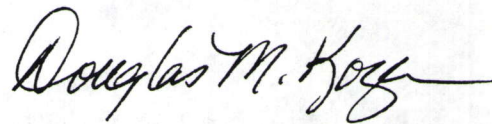
There will be no surface impact due to this modification. There will be no bond adjustment at this time for this action.

Ultimate Maximum Recovery (UMR):

This modification is in accordance with the Mineral Leasing Act of 1920 as amended. This action will allow UMR of the gilsonite reserves in this lease to be achieved according to 43 CFR 3594.1.

For questions on this matter, please contact Mr. Stan Perkes, at (801) 539-4036.

Sincerely,



Douglas M. Koza  
Deputy State Director  
Natural Resources

cc: Tony Gallegos  
Utah Division of Oil, Gas and Mining